

Attachment E

Planning Commission Staff Report, dated June 4,
2026 (without attachments)



CITY OF NEWPORT BEACH PLANNING COMMISSION STAFF REPORT

June 4, 2026
Agenda Item No. 3

SUBJECT: 1300 Dove Townhomes (PA2025-0170)

- Zoning Code Amendment
- Major Site Development Review
- Vesting Tentative Tract Map
- Affordable Housing Implementation Plan
- Development Agreement
- Addendum to the Newport Beach General Plan Housing Implementation Program EIR

SITE LOCATION: 1200 and 1300 Dove Street and 4041 MacArthur Boulevard

APPLICANT: Sean Matsler with Cox, Castle, & Nicholson, LLP

OWNER: AG Redstone Owner, L.P., A Delaware limited partnership

PLANNER: Oscar Orozco, Associate Planner
949-644-3219, oorozco@newportbeachca.gov

PROJECT SUMMARY

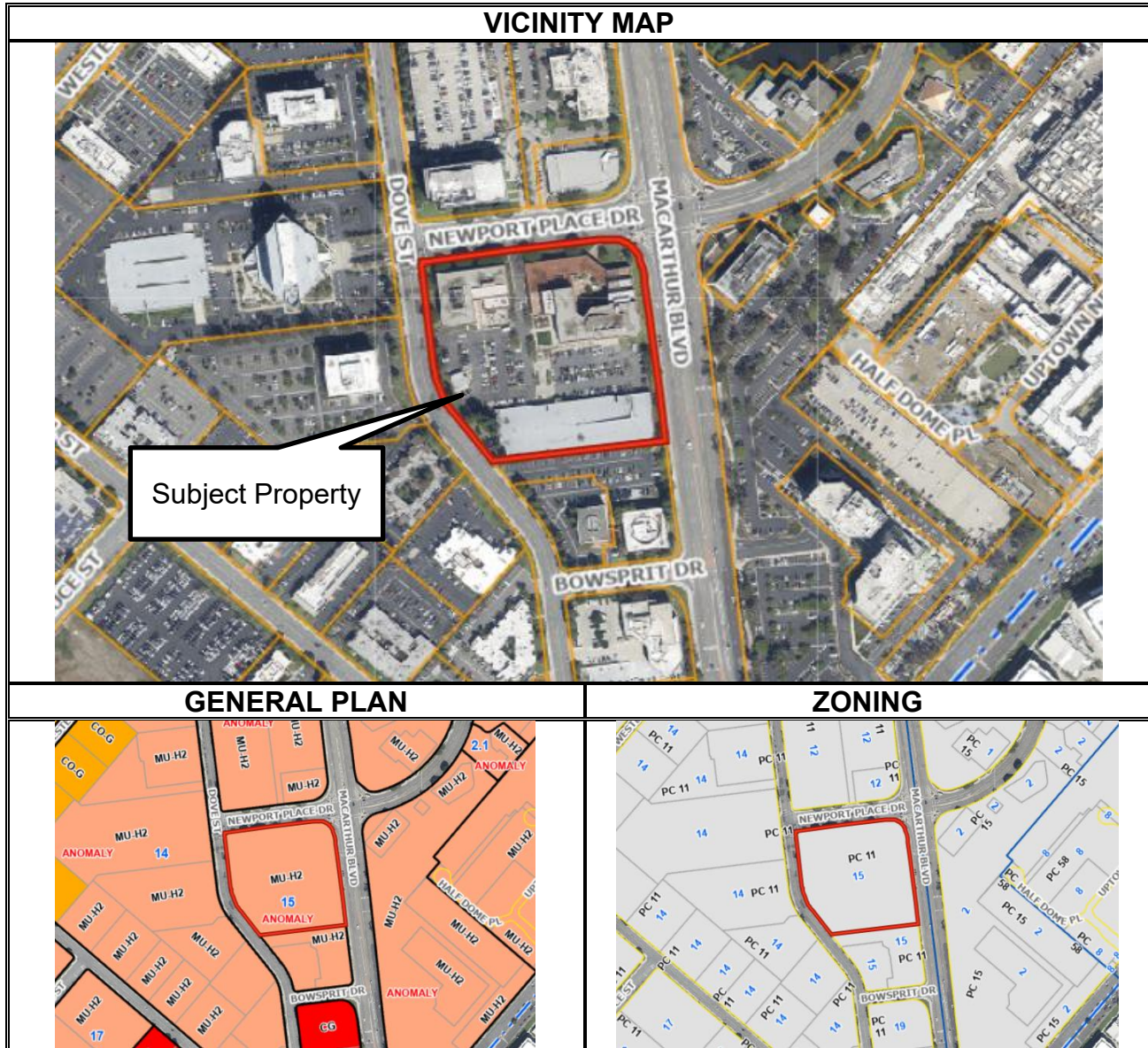
A request to authorize the development of a 132-unit, for-sale, residential townhome community including 7 units affordable to very low-income households on an existing office site. The proposed development includes the demolition of two existing office buildings and an existing parking structure and the construction of two-, three- and four-bedroom townhomes ranging from 1,251 to 2,562 square feet. The development includes a two-car garage for each unit and 40 uncovered guest parking spaces for a total of 304 on-site parking spaces. The 132 units will be distributed within 36 buildings, with units arranged in two- and eight-unit buildings. The buildings have a maximum structure height ranging from approximately 37 to 47 feet above established grade. The development will provide resident-serving amenities, including outdoor courtyards with barbeque, a pizza oven, covered seating, a fire pit, and a game lawn. Additionally, a publicly accessible pedestrian "strada" improved with landscaping and seating areas is proposed along the MacArthur Boulevard frontage. Onsite and offsite public improvements such as updating the storm drain, sidewalks, and driveways are included in project implementation (Project). To implement the Project, the request requires the following approvals from the City:

- **Zoning Code Amendment** - An amendment to Section 20.80.025 (Housing Opportunity Overlay Zoning Districts Maps) of the Newport Beach Municipal Code (NBMC) to include the Project Site in the Housing Opportunity Sites Overlay in the HO-1- Airport Area Environs Map;

- **Major Site Development Review (SDR)** - A major site development review in accordance with Section 20.52.080 (Site Development Reviews) of the NBMC for five or more units with a tentative tract map;
- **Vesting Tentative Tract Map (VTTM)** - A vesting tentative tract map to allow for an airspace subdivision of the individual residential units on a 6.5-acre parcel, pursuant to Chapter 19.12 (Tentative Map Review) of the NBMC;
- **Affordable Housing Implementation Plan (AHIP)** - A plan specifying how the Project would meet the City's affordable housing requirements pursuant to Chapter 20.32 (Density Bonus) of the NBMC and Government Code Section 65915 (Density Bonus Law);
- **Development Agreement (DA)** - A Development Agreement between the Applicant and the City, pursuant to Section 15.45.020 (Development Agreement Required) of the NBMC, which would provide the Applicant with the vested right to develop the Project for a term of 10 years and to provide negotiated public benefits to the City; and
- **Addendum to the Newport Beach General Plan Housing Implementation Program EIR (Addendum No. 1)** - Pursuant to the California Environmental Quality Act (CEQA), the Addendum addresses reasonably foreseeable environmental impacts resulting from the Project.

RECOMMENDATION

- 1) Conduct a public hearing;
- 2) Adopt Resolution No. PC2026-018 (Attachment No. PC 1) recommending City Council approval of the Addendum No. 1 to the Certified Final Programmatic Environmental Impact Report for the City of Newport Beach Housing Implementation Program (SCH No. 2023060699), Zoning Code Amendment, Major Site Development Review, Vesting Tentative Tract Map, Affordable Housing Implementation Plan, and Development Agreement for the 1300 Dove Townhomes Project located at 1200 and 1300 Dove Street and 4041 MacArthur Boulevard (PA2025-0170).



LOCATION	GENERAL PLAN	ZONING	CURRENT USE
ON-SITE	Mixed-Use Horizontal (MU-H2)	Newport Place Planned Community (PC-11) in the Professional & Business Office Site 4 sub-area within the residential overlay	Office
NORTH	MU-H2	PC-11 in the Professional & Business Office Site 5 sub-area within the residential overlay	Office
SOUTH	MU-H2	PC-11 in the Professional & Business Office Site 4 sub-area within the residential overlay, HO-1 Overlay Zoning District	Office
EAST	MU-H2	PC-15 Koll Center	Office
WEST	MU-H2	PC-11 in the Professional & Business Office Site 1 & 2 sub-area, HO-1 Overlay Zoning District	Office

INTRODUCTION

Project Setting

The Project Site is 6.5 acres, addressed as 1200 and 1300 Dove Street and 4041 MacArthur Boulevard, and located on the southwest corner of the Von Karman Avenue and MacArthur Boulevard intersection, shown in Figure 1 (Project Site). It is currently improved with a 125,249-square-foot, five-story office building, a 48,715-square-foot, three-story office building, a 137,557-square-foot three level parking structure and surface parking lot.

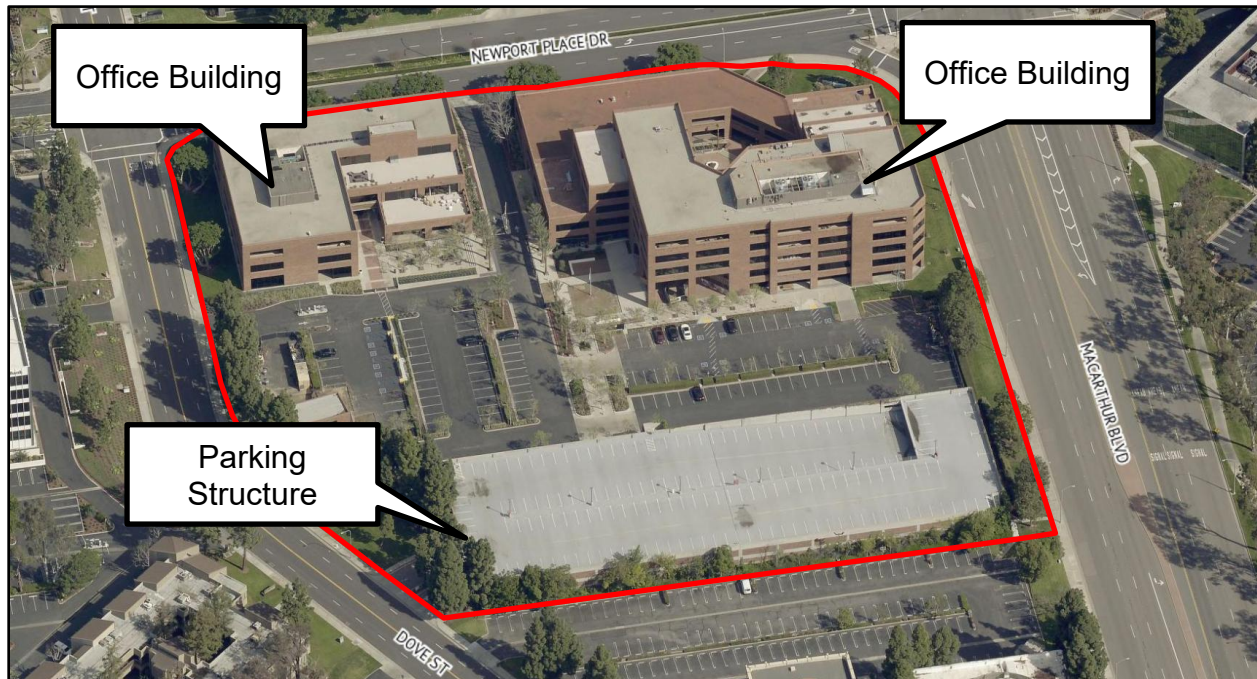


Figure 1, Birds-eye aerial image of current development on the Project Site

Project Description

The applicant proposes the demolition of all existing on-site improvements and construction of 132 dwellings. The development is organized into four building types (Types A, B, C, and D), ranging from approximately 4,991 to 15,338 square feet per building. A total of 36 residential buildings is proposed across the Project Site.

Building Types A and B consist of eight-unit, three-story structures that incorporate stacked unit configurations, while Building Types C and D consist of attached two-unit buildings in three- and four-story formats. Although building heights vary by type, all buildings remain within the allowable height limit for the site.

The unit mix includes two-, three-, and four-bedroom townhomes ranging from approximately 1,251 to 2,562 square feet. All units feature multi-story layouts with private

living areas, bedrooms, bathrooms, and outdoor private open space such as decks or patios. Parking is accommodated through private garages integrated within each building, consistent with typical condominium and duplex configurations.

A summary of the building types and associated floor areas is provided in Table 1.

Table 1 – Building Summary

	Building Type A (8 Units)	Building Type B (8 Units)	Building Type C (2 Units)	Building Type D (2 Units)	Total
Building Size (Sq. Ft.)	15,338	15,286	4,991	6,219	-
Number of Buildings	6	4	14	12	36
Total Sq. Ft.	92,028	61,143	69,877	74,629	297,677

Design and Architecture

As depicted in Figures 2 and 3 below, the Project will have a contemporary coastal inspired design with clean straight lines, large windows, stacked units, stucco siding with stone veneer accents as well as cementitious horizontal siding and wood awnings. The light, neutral tones used in the color palette enhance architectural articulation and reflect the coastal environment, while stone veneer adds texture and durability.



Figure 2, Rendering of Two-Unit Buildings from Interior Private Street



Figure 3, Rendering of an Eight-Unit Building from Interior Private Street

To enhance architectural articulation and create visual variety throughout the community, four coordinated and complementary color schemes are proposed for all condominium and duplex buildings. Each scheme, described below, uses a consistent family of paint colors, stone veneers, and stone mortar with variations in siding, stucco, and accent tones to introduce subtle contrast while maintaining overall neighborhood cohesion.

- Scheme 1 features a light, neutral palette with white trim, soft gray-green siding tones, and light stucco colors. Stone materials in with gray mortar adds texture while reinforcing the overall light appearance.
- Scheme 2 introduces slightly warmer gray tones, paired with white trim and balanced stucco colors. Warm neutral accents provide subtle variation while maintaining consistency with Scheme 1.
- Scheme 3 incorporates deeper mid-range grays for a more contemporary look. Darker entry door colors in deep brown and warm brown offer contrast, while siding and stucco remain within a controlled gray palette to ensure compatibility.
- Scheme 4 is the warmest of the four schemes, using taupe-based siding and complementary warm gray stucco colors. White trim and consistent stone treatments unify the design with the other schemes.

Across all four schemes, the roof materials are selected to complement each palette, with a range of colors depending on scheme and building type. The resulting design approach provides a unified but visually varied community character, avoiding monotony while maintaining a consistent architectural theme. Full digital materials boards with detailed color schemes and materials breakdown are provided in Attachment No. PC 4 in the Project Plans.

Access and Parking

Vehicular access to the Project Site is provided by a driveway on Newport Place Drive and a second driveway on Dove Street. The two access points connect to a private internal street that runs the full length of the development, providing a minimum 26-foot-wide vehicular path throughout the site. This internal circulation system leads to the individual two-car garages serving each unit, all of which meet the minimum garage dimensions of 17 feet 6 inches in width and 19 feet in depth. In addition to the private garage parking, 40 guest/visitor parking spaces will be provided throughout the Project Site, resulting in a total of 304 parking spaces. Figure 4 depicts the on-site circulation and the guest parking locations.

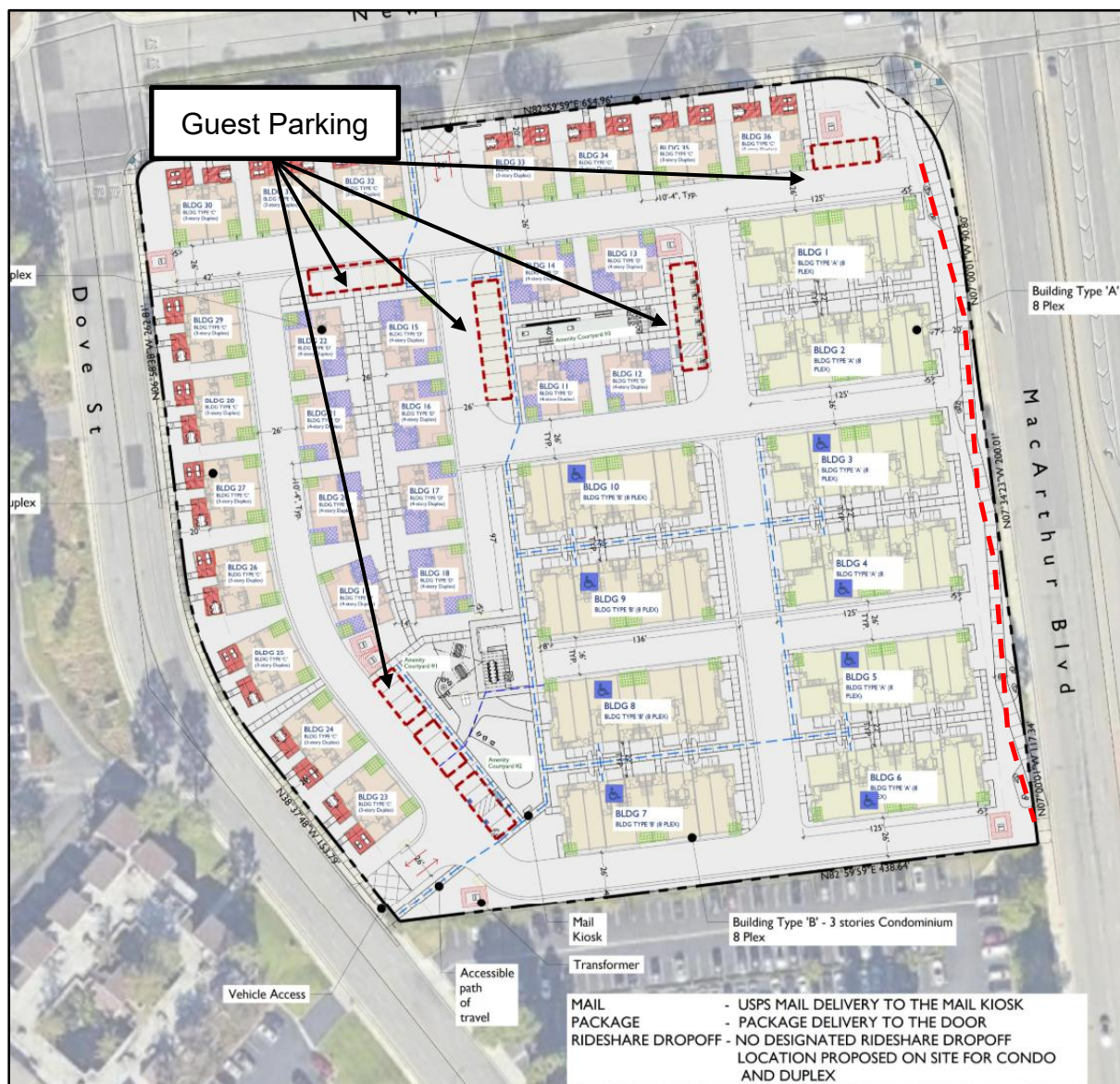


Figure 4, Private Driveways and Parking Areas

Residential Amenities

The Project provides the required private open space in the form of private balconies and courtyards for each unit, ranging from 63 square feet for the smallest unit to 127 square feet the largest unit.

In addition to the private open space, there will be three common open space courtyards with the following resident-serving amenities:

- Courtyard 1 is an approximately 2,000-square-foot outdoor dining area, which includes a shade structure, outdoor kitchen, barbeque, pizza oven, as well as an outdoor lounge which includes a seat wall, fire pit, picnic tables with umbrellas and catenary lighting overhead.
- Courtyard 2 is an approximately 2,000-square-foot open lawn intended for flexible play and activities, with seating and shade trees.
- Courtyard 3 is an approximately 1,900-square-foot courtyard with an outdoor dining area, which includes barbeques, a seat wall with bench top seating, as well as concrete steppers onto a game lawn.

Additionally, the Project includes an 8,927-square-foot Publicly Accessible Open Space (PAOS) along the MacArthur Boulevard frontage. The PAOS provides a meandering sidewalk “strada” with landscaping and seating areas to enhance the pedestrian experience, which is shown in a red-dashed line in Figure 4 on the preceding page. More detail is provided on the common open space area and the PAOS under the “Design and Open Space” header of the “Major Site Development Review” Section below.

Solid Waste and Recycling

The private garages are adequately sized to accommodate individual containers for trash, recycling, and organics while maintaining the appropriate dimensions for residential parking spaces. Due to the configuration of dwelling units proposed, the Homeowners Association will be responsible for securing waste pickup for its residents.

Subdivision and Establishment of Grade

The Project includes a request for an airspace subdivision of the units to allow for individual sale as townhomes (i.e., for condominiums purposes). It also proposes the establishment of grade for height measurement purposes for each building consistent with Section 20.30.050(B) (Establishment of Grade) of the NBMC, which allows the average of the elevation from each corner of the building to establish the grade. All individual building heights would be measured based on the established grade plane elevation for that building.

Required City Approvals

The following approvals are requested from the City to implement the Project:

- **Zoning Code Amendment** - An amendment to Section 20.80.025 (Housing Opportunity Overlay Zoning Districts Maps) of the Newport Beach Municipal Code (NBMC) to include the Project Site in the Housing Opportunity Sites Overlay in the HO-1- Airport Area Environs Map;
- **Major Site Development Review (SDR)** - A major site development review in accordance with Section 20.52.080 (Site Development Reviews) of the NBMC for five or more units with a tentative tract map;
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- **Addendum to the Newport Beach General Plan Housing Implementation Program EIR (Addendum No. 1)** - Pursuant to the California Environmental Quality Act (CEQA), the Addendum addresses reasonably foreseeable environmental impacts resulting from the Project.

Background

Housing Opportunity (HO) Overlay Zoning District and Amendment

On September 13, 2022, the City Council adopted the City's 6th Cycle Housing Element for the 2021-2029 planning period (Housing Element). The Housing Element was later certified as statutorily compliant with state law by the California Department of Housing and Community Development (HCD) on October 5, 2022.

On September 24, 2024, the City Council adopted Ordinance Nos. 2024-16 and 2024-17, approving amendments to Title 20 (Planning and Zoning) of the NBMC to establish the Housing Opportunity (HO) Overlay Zoning Districts (Housing Overlay) in Section 20.28.050 (Housing Opportunity (HO) Overlay Zoning Districts) of the NBMC and to create multi-unit objective design standards (ODS) in Section 20.48.185 (Multi-Unit Objective Design Standards) of the NBMC, respectively. The new sections serve to implement Policy Actions 1A through 1G and 3A in the Housing Element.

The adoption of these ordinances provided new housing opportunities within five subareas to ensure the City can meet its 6th Cycle Regional Housing Needs Assessment (RHNA) allocation: Airport Area Environs Area (HO-1), West Newport Mesa Area (HO-2), Dover-Westcliff Area (HO-3), Newport Center Area (HO-4), and Coyote Canyon Area (HO-5). These subareas correspond directly to the Focus Areas identified in Appendix B (Adequate Sites Analysis) of the Housing Element.

Properties identified as a “Housing Opportunity Site” have specific development standards conducive to residential development at the prescribed average density of 20 to 50 dwelling units per acre. The standards include but are not limited to minimum lot area, setbacks, height, open space, landscaping, and parking. The ODS are applicable to any residential project with a minimum density of 20 dwelling units per acre to ensure the high-quality design and to provide a baseline standard for new multi-unit developments throughout the City.

The Project Site is located within the Airport Area Environs Area; however, it is not identified as a housing opportunity site, as illustrated in Figure 5 below. An amendment is requested to the Housing Opportunity Overlay Zoning Districts Maps of the NBMC to include the Project Site in the Housing Opportunity Sites Overlay in the HO-1- Airport Area Environs Map.

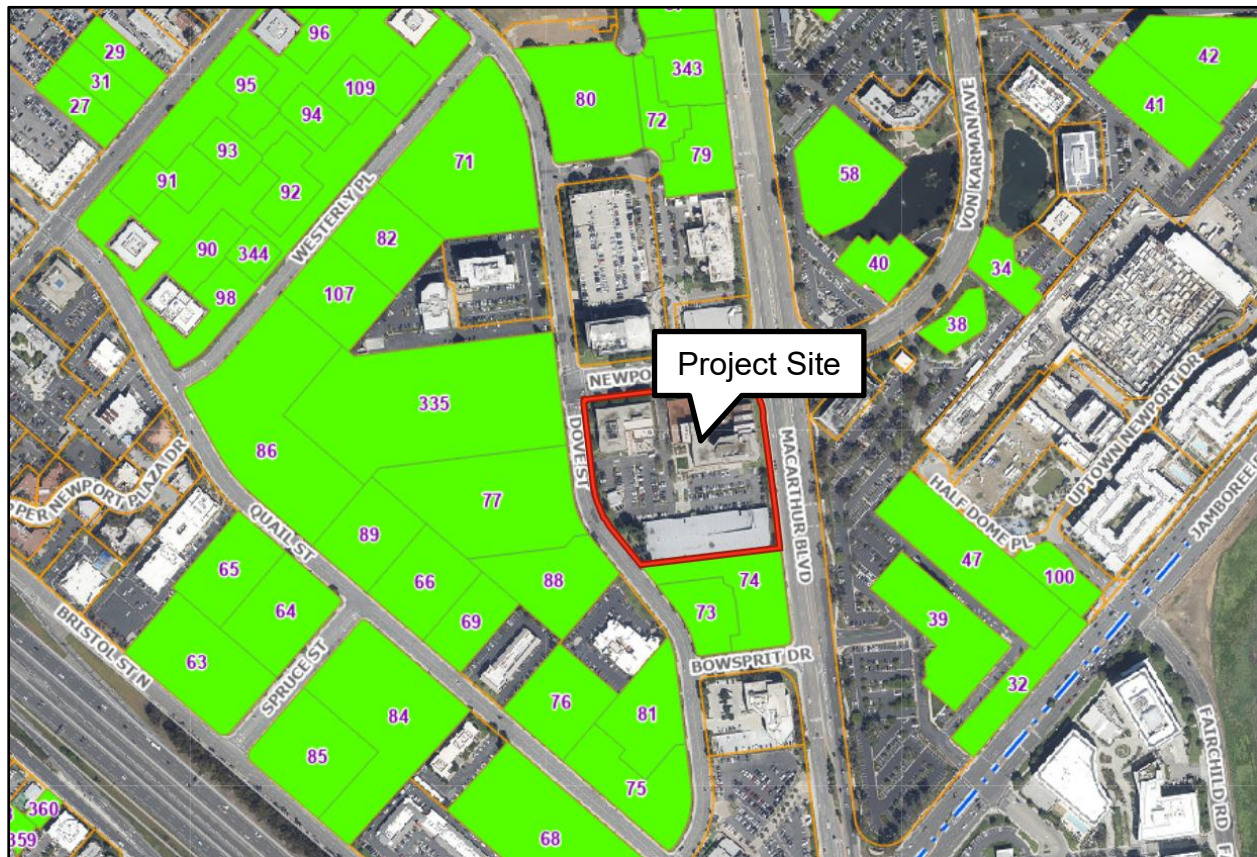


Figure 5, Excerpt of the HO-1 (Airport Area Environs Area) Subarea

DISCUSSION

Analysis

General Plan Consistency

The Project Site is categorized as Mixed-Use Horizontal (MU-H2) by the General Plan Land Use Element. The MU-H2 Designation is intended to provide for horizontal intermixing of uses that may include regional commercial office, multifamily residential, vertical mixed-use buildings, industrial, hotel rooms, and ancillary neighborhood commercial uses. Although the Project is consistent with the intent of the MU-H2 designation, it is not required to be consistent with the underlying General Plan Land Use Designation, pursuant to Land Use Element Policy LU 4.5 (Residential Uses and Residential Densities). Policy LU 4.5 allows residential use of any Project Site included within an established HO Overlay Zoning District regardless of and in addition to the underlying land use category or density limit established in the General Plan.

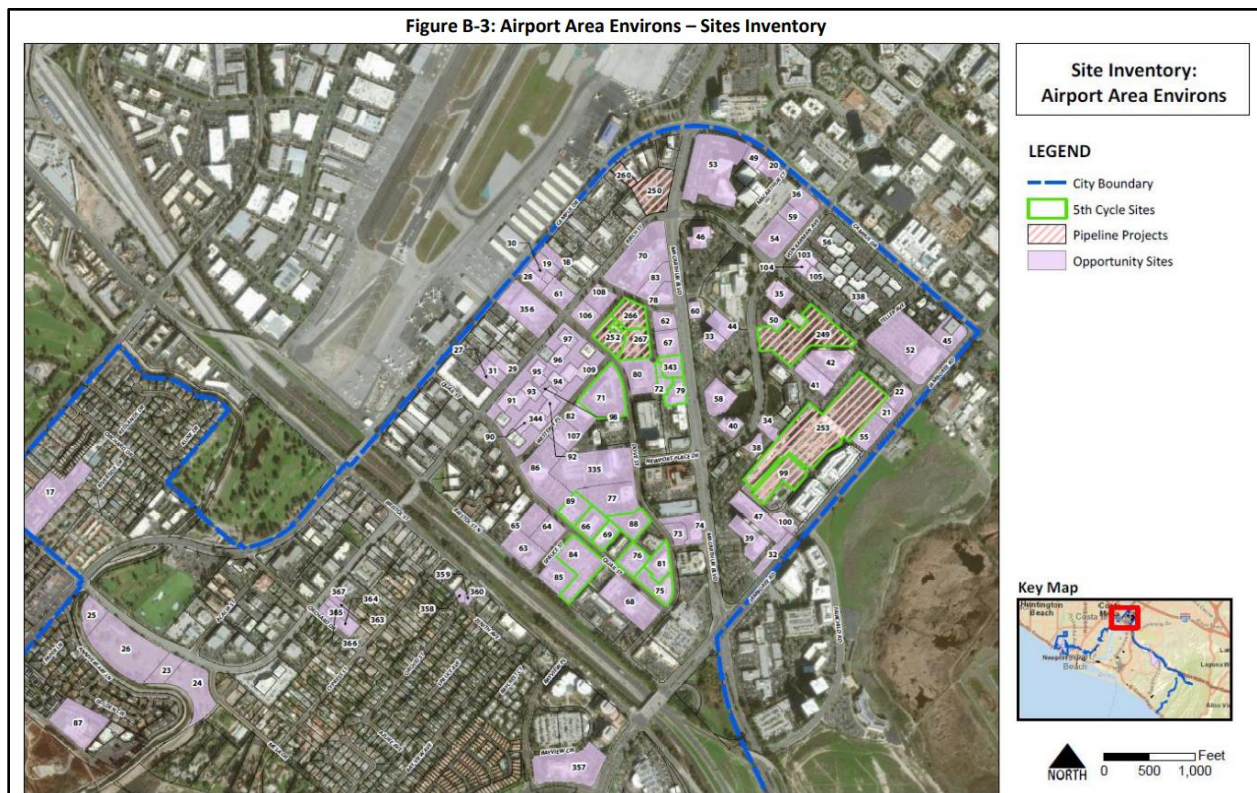


Figure 6, Figure B-3 of the Housing Element

Furthermore, the Housing Element identifies adequate sites to accommodate the City's fair share allocation of the RHNA. Figure B-3 of the Housing Element (Figure 6 above) displays the Opportunity Sites within the Airport Area Environs Focus Area. Although the Project Site was not identified as a Housing Opportunity Site, Policy LU 4.4

(Rezoning to Accommodate Housing Opportunities) indicates that additional sites can be identified through rezoning. In this case, the applicant is requesting an amendment to include the Project Site in the HO Overlay Zoning Districts of the NBMC. The amendment would not increase the number of units allocated to the HO-1 Subarea rather it would add another site to the list of eligible sites.

Ultimately, the Project implements the certified Housing Element by producing housing and aids the City in its goal to provide new housing opportunities, including housing for very-low-income households.

In addition to the above, the Project is consistent with several other Housing, Land Use, and Circulation Element policies that establish fundamental criteria for the formation and implementation of new residential development. A consistency analysis was completed and is detailed in the attached draft resolution (Attachment No. PC 1), as well as the attached General Plan Consistency Table (Attachment No. PC 2).

Zoning Code Amendment

An amendment to the Zoning Code is a legislative act. Based on State Law and the NBMC, there are no findings for either approval or denial of such amendments to the NBMC. Notwithstanding this, the requested Zoning Code Amendment to incorporate the Project Site into the HO-1 Subarea of the HO Overlay Zoning Districts is in furtherance of the Housing Element and the request is supportable for the following key reasons:

1. The Project Site is located within the Newport Place Planned Community (PC-11) Zoning District in the Professional & Business Office Site 4 Subarea. It is also within the Residential (R) Overlay, which allows for multifamily residential development on the Project Site. The R Overlay requires a minimum of 30 dwelling units per acre, where the Project proposes approximately 20 dwelling units per acre. Therefore, the applicant is seeking an amendment to Section 20.80.025 (Housing Opportunity Overlay Zoning Districts Maps) of the NBMC to include the Project Site in the HO Overlay Zoning Districts within the HO-1 (Airport Area Environs Map), where the minimum density is 20 dwelling units per acre. Because the existing PC-11 R overlay would allow residential, the Project would be consistent with the intent of the existing zoning district to provide housing.
2. The proposed Project allocates 5% of the base units (7 dwelling units) as affordable for very-low-income households, increasing the overall affordable housing supply. Specifically, the Project would include the introduction of a for-sale affordable housing product, which would diversify the City's housing stock.
3. Given the location of the Project Site in the Airport Area, which includes a mixture of service uses, hotels, Airport and commercial support services, professional offices, and new residential developments that cumulatively contain the

ingredients of a planned community, the proposed Zoning Code Amendment would not disrupt the existing uses within the Planned Community and would add to this diversity of uses, assisting the City in larger scale community planning and the provision of additional housing opportunities.

4. As illustrated in Figure 5 above, the Project Site is located within the Airport Area Environs Area, which includes numerous properties designated within the HO Overlay Zoning District. The property nearest to the site, located at 1050 Dove Street immediately to the south, is within the HO-1 subarea. The Project would be consistent with the anticipated future development of other adjacent properties within the HO Overlay Zoning District in the Airport Area Environs Area. Additionally, the Airport Area Environs Area contains a dispersed pattern of HO Overlay Zoning District sites, and because the Project site is directly adjacent to an existing housing-designated property, its inclusion within this broader development context is appropriate and not a substantial change in the anticipated character of the area. The Zoning Code Amendment would not increase the number of units allocated to the HO-1 subarea.
5. The Project would be subject to the appropriate site and project specific setbacks, density, and height limits for this urban location. All required parking is provided on-site. The Project complies with the development standards identified for the HO Overlay Zoning District, except as modified by the allowed development standard waivers identified in the Affordable Housing Implementation Plan. The HO Overlay Zoning District provides a density range for proposed projects and references the Section 20.32 (Density Bonus) of the NBMC that prescribes the maximum density bonus and incentives allowed. Therefore, the proposed project is consistent with the intent of the density bonus assumptions in the HO Overlay Zoning District and within the maximum allowed by the density bonus provisions.
6. The Project Site is located near existing office buildings within the Airport Area and is not negatively impacted by noise, dust, smoke, vibration, odor, toxic or noxious matter that may be generated by existing commercial or industrial uses nearby. The Project would develop 132 of the overall 2,577 units allowed within the HO-1 subarea. The Project Site is located within the 60dBA CNEL noise contour, reducing the likelihood of dwelling units being developed within the 65dBA CNEL noise contours.
7. The Project Site is fully developed and does not support any natural resources and all potential environmental impacts associated with the Project are appropriately addressed through standard building permit procedures, conditions of approval, and the General Plan Policies identified in the Housing Implementation Program EIR.

Zoning Code Consistency

The Project includes a Zoning Code Amendment to include the site within the Housing Opportunity Overlay Zoning District. As previously discussed, Section 20.28.050 (B) (Housing Opportunity (HO) Overlay Zoning Districts – Uses Allowed) of the NBMC allows for multi-unit residential development on housing overlay sites if the Project meets the 20 to 50 dwelling units per acre density requirement. Based on the 6.5-acre lot, the project results in a density of 20.3 units per acre and meets the density requirement of the HO-1 Subarea. Table 2 demonstrates the project's compliance with the development standards of the HO-1 subarea.

Table 2 – Development Standards

Development Standard	Standard	Proposed
Density	20-50 dwelling units per acre (du/acre)	20.3 du/acre
Setbacks		
Front	0 feet (ft) ¹	N/A
Rear	0 ft	30 ft
Side	0 ft	N/A
Street Side (MacArthur Blvd., Newport Place Dr., Dove St.)	0 ft ¹	20 ft
Height	55 ft	37 to 47 ft
Building Separation	10 ft	10 ft (minimum)
Floor Area Limit	No restriction	297,676 square feet (sq ft)
Common Open Space (75 sq ft/unit)	9,900 sq ft	10,283 sq ft
Private Open Space (5% gross floor area/unit)	14,884 sq ft	22,550 sq ft
Parking		
2 Bedroom unit (1.8 space/unit) 3 + Bedroom unit (2.0 space/unit)	256 spaces (total)	264 spaces (total)
Visitor/Guest (0.3 space/unit)	40 spaces	40 spaces
<i>1. Any portion of the structure that is twenty (20) feet in height shall be set back a minimum twenty (20) feet from the street right-of-way. In this case, the Project Site includes three street frontages and there are no front or rear setbacks.</i>		

Pursuant to Section 20.28.050 (C)(2) (Subarea Development Standards – Airport Area Environs Area) of the NBMC, additional specific development standards are required for development in the HO-1 Subarea to mitigate sound with a required acoustical report to confirm levels within Section 10.26.30 (Interior Noise Standards) of the NBMC; advanced interior air filtration system; and a required notification to owners and tenants disclosing potential impacts to residents of the existing environment and potential nuisances based upon the allowed uses in the area. Condition of Approval Nos. 22 through 24 are included in the Resolution (Attachment No. PC 1), ensuring these regulations are met.

The Project is also subject to the ODS provided in Section 20.48.185 (Multi-Unit Objective Design Standards) of the NBMC. The Project conforms to 49 of the 52

applicable standards. Additional discussion regarding the request to deviate from the three ODS is provided under the AHIP section below.

Major Site Development Review

Section 20.52.080(F) (Site Development Reviews – Findings and Decision) of the NBMC requires the Planning Commission to make the following findings before approving the SDR:

- A. *The proposed development is allowed within the subject zoning district;*
- B. *The proposed development is in compliance with all of the following applicable criteria:*
 - i. *Compliance with this section, the General Plan, this Zoning Code, any applicable specific plan, and other applicable criteria and policies related to the use or structure;*
 - ii. *The efficient arrangement of structures on the site and the harmonious relationship of the structures to one another and to other adjacent developments; and whether the relationship is based on standards of good design;*
 - iii. *The compatibility in terms of bulk, scale, and aesthetic treatment of structures on the site and adjacent developments and public areas;*
 - iv. *The adequacy, efficiency, and safety of pedestrian and vehicular access, including drive aisles, driveways, and parking and loading spaces;*
 - v. *The adequacy and efficiency of landscaping and open space areas and the use of water efficient plant and irrigation materials; and*
 - vi. *The protection of significant views from public right(s)-of-way and compliance with NBMC Section 20.30.100 (Public View Protection); and*
- C. *Not detrimental to the harmonious and orderly growth of the City, nor endangers, jeopardizes, or otherwise constitutes a hazard to the public convenience, health, interest, safety, or general welfare of persons residing or working in the neighborhood of the proposed development.*

Staff believes facts to support the findings exist to approve the SDR. These facts are discussed in detail in the attached draft resolution (Attachment No. PC 1). The key facts in support of findings are summarized in the following paragraphs.

Development Compliance

As described in Table 3 of this report, the Project is fully consistent with the HO-1 Subarea of the HO Overlay Zoning Districts. The Project also allocates 5% of the dwelling units as affordable housing as outlined in the AHIP discussion below.

Therefore, approval of the Project would be consistent with the State's no net loss provisions.

A detailed analysis of the Project's consistency with the General Plan is included as Attachment No. PC 2. For example, the Project is consistent with Land Use Element Policy LU3.2 (Growth and Change). The underutilized Project Site is improved with a multi-story office building and large surface parking lot. The Project would replace these uses with 132 dwelling units that assist the City in meeting its share of RHNA and accommodating additional growth in the community. These new units are in a job-rich area, supporting reduced commute times.

Design and Open Space

The Project design compactly arranges the 36 separate buildings to maximize site efficiency and preserve larger-than-required open space areas. The PAOS strada exceeds the minimum required publicly accessible open space of 8,786 square feet and provides 8,927 square feet. The Project's design includes interior driveways and resident amenity areas which are screened from public view. The Project's larger common open space areas, PAOS strada, landscaped edge conditions, location of drive aisles and residential amenities reduce any potential visual impact of the Project and ensure compatibility with the surrounding neighborhood.

Throughout the Project Site, areas of passive green space are integrated alongside pedestrian walkways, including seating areas elements that provide space for informal use, rest, and neighborhood interaction. Figure 7 illustrates the PAOS along MacArthur Boulevard and the landscape buffer and entrances to the community along Newport Place Drive, and Dove Street, which reinforce the aesthetics of a residential neighborhood.

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Figure 7, Landscape Buffers and Community Entrances along Quail Street

As noted in Table 2 above, the Project exceeds the minimum common open space standards. A total of 10,283 square feet of common open area is provided throughout the Project Site. There are three distinct areas previously mentioned that provide outdoor dining areas, which include a shade structure, outdoor kitchen, barbeque, pizza oven, as well as an outdoor lounge which includes a seat wall, fire pit, picnic tables with umbrellas and string lighting overhead and game lawn. See Figures 8 and 9 below.



Figure 8, Community Amenity Areas 1 and 2



Figure 9, Community Amenity Areas 1 and 2

Hazards Analysis

The Project Site is located near John Wayne Airport (JWA) within the notification area, and subject to compliance with the Airport Environs Land Use Plan (AELUP) for JWA which includes standards related to height, safety, and noise. The Project includes a legislative amendment (e.g., zoning amendment); therefore, review by the Airport Land Use Commission (ALUC) is required to implement the project. The Project is tentatively planned for a public hearing with ALUC on June 18, 2026.

Safety Zones

The Project Site is within Safety Zone 6 (Traffic Pattern Zone) of the AELUP for both runways. Residential uses are a compatible use within Safety Zone 6.

Height

Section 20.30.060 (E) (Airport Environs Land Use Plan [AELUP]) for John Wayne Airport and Airport Land Use Commission [ALUC] Review Requirements) of the NBMC

prohibits projects from penetrating the Federal Aviation Regulation Part 77, Obstruction – Imaginary surfaces, for John Wayne Airport unless approved by the Airport Land Use Commission (ALUC). Heights in the Airport Area are generally limited through the use of imaginary surfaces that surround the runways. The intent of these surfaces is to protect aircraft from obstacles during takeoff, landing, and maneuvering. The NBMC requires Applicants to file forms with the Federal Aviation Administration (FAA). The FAA issued a Determination of No Hazard to Air Navigation for the project, dated March 10, 2026, and provided as Attachment No. PC 5. Accordingly, a condition of approval is included requiring the applicant to comply with all conditions of the FAA determination.

Noise

General Plan Policy LU 6.15.3 (Airport Compatibility) and Section 20.30.080(F) (Residential use Proximate to John Wayne Airport) of the NBMC allow residential use on parcels or sites wholly or partially outside the John Wayne Airport 65 dBA CNEL noise contour as shown in Figure N5 of the Noise Element of the General Plan. The Project Site is located within the 60 dBA CNEL noise contours established in the Figure N5 and would comply with the regulations identified in Section 20.28.050(C)(2) (Subarea Development Standards – Airport Area Environs Area [HO-1]) including the interior ambient noise level limits set forth in Section 10.26.030 (Interior Noise Standards) of the NBMC. Figure 10 shows the City's noise contours.

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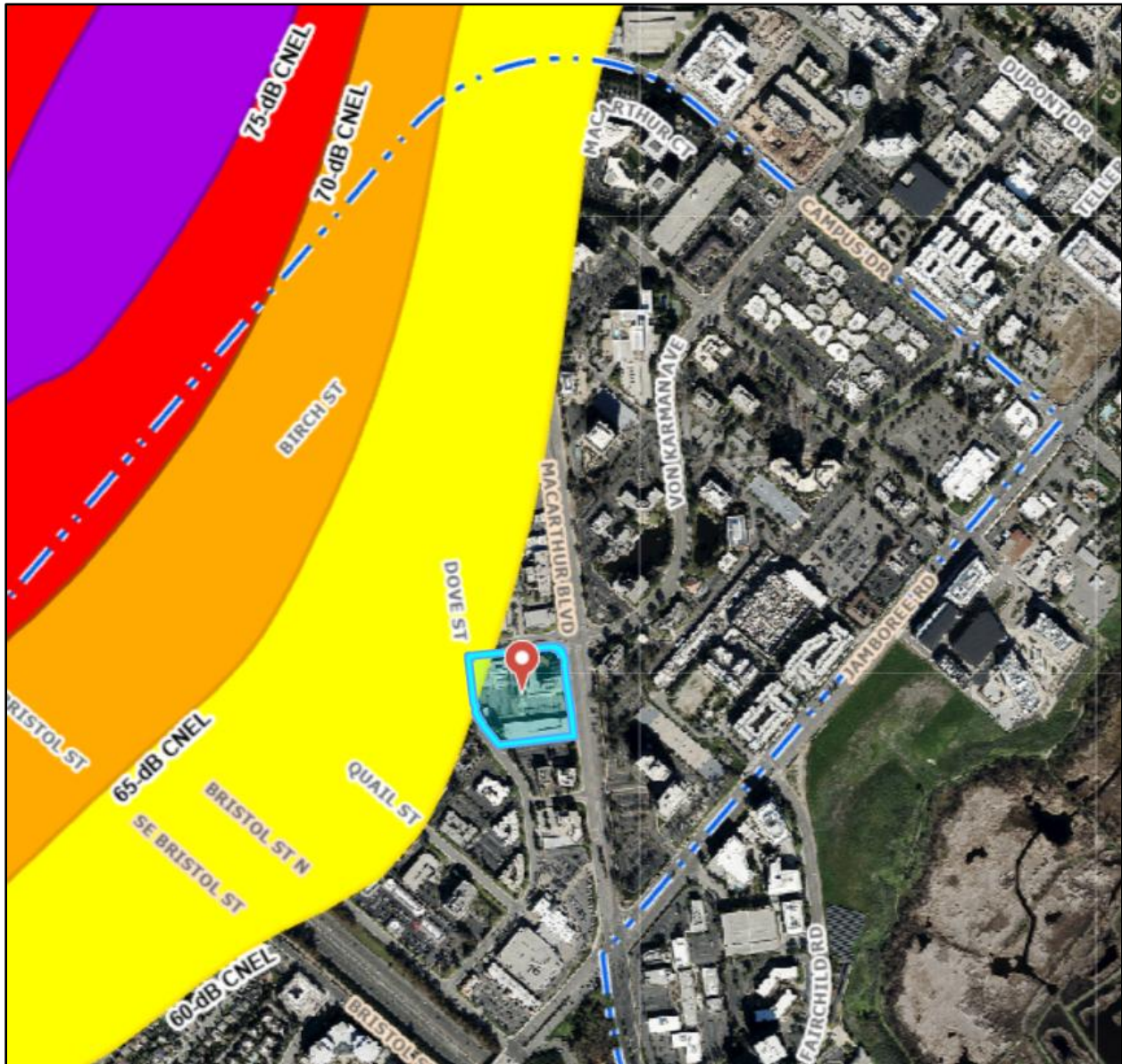


Figure 10, Airport Noise Contours

Compatibility, Traffic, and Scale

The Project is proposed on an existing property with an office development which was constructed in the 1970s that is underutilized, within an area of the City that is considerably developed. The Project will add 132 attached single-unit dwellings to the City's housing stock which furthers the City's efforts of increasing and diversifying the housing stock.

The Project's trip generation was reviewed and approved by the Public Works Department. The estimated trip generation for the Project is 820 average daily trips (ADTs), which is 758 ADTs less than the existing office use. Therefore, the Project does not result in a net increase of 300 ADTs, and no traffic study is required per Chapter 15.40 (Traffic Phasing Ordinance) of the NBMC.

All internal driveways to garages are behind the residential buildings and individual trash containers are kept within each private garage space and not visible from the public street. There is adequate space within the garage, clear of the minimum required dimensions, to accommodate the minimum clear parking space as well as the storage of trash, recycling, and organics.

The Project includes maximum structure heights ranging from approximately 37 to 47 feet above established grade which is 8 feet below the maximum allowed height limit of 55 feet. The height of the residential buildings will be compatible with the surrounding neighborhood that includes multi-story office building. There are no setback requirements from the property lines not abutting streets. However, the Project proposes a setback of 30 feet including a 6-foot-tall decorative masonry wall with landscaping along the property line.

Major Site Development Review – Multi-Unit Objective Design Standard Deviation

Pursuant to Section 20.48.185(A) (Multi-Unit Objective Design Standards – Purpose) of the NBMC, the Project is seeking deviation from three of the 52 applicable Multi-Unit Objective Design Standards (ODS).

However, the applicant is seeking to address the ODS waivers through the development standard waivers provided through State Density Bonus Law and Chapter 20.32 (Density Bonus) of the NBMC. Therefore, the findings identified in Section 20.48.185(A) are not applicable to the Project and are not required. Additional detail is provided in the next section.

Affordable Housing Implementation Plan

The applicant has prepared an Affordable Housing Implementation Plan (AHIP), dated May 6, 2026 (Exhibit "E" of Attachment No. PC 1). The AHIP is consistent with the intent to implement affordable housing goals within the City pursuant to Government Code Sections 65915-65918 (State Density Bonus Law), and Title 20, Chapter 20.32 (Density Bonus) of the NBMC for the following reasons:

The Project includes 7 very-low-income units, representing 5% of the total 132 units, consistent with State Density Bonus Law and Chapter 20.32 (Density Bonus) of the NBMC. The affordable units are proportionally distributed across two-, three-, and four-bedroom floor plans and will be dispersed throughout the site to avoid concentration.

By providing at least 5% of the total units as very-low-income units, the Project qualifies for one incentive/concession under Government Code §65915(d). The Developer requests a partial reduction of the park in-lieu fee, which provides an identifiable, financially sufficient, and actual cost reduction necessary to support the affordable units. The reduction in park in-lieu fees would allow the applicant to contribute to the overall fund for parks in the Airport Area, while providing identifiable cost reductions that make the provision of affordable units feasible.

In addition to the concessions, the Project is entitled under California Government Code Section 65915(e), Section 20.32.080 (Waivers or Reductions of Development Standards), and recent case law to receive waivers or reductions of development standards where application of the development standard would physically preclude construction of a density bonus project. In this case, the Applicant requests a waiver of three Objective Design Standards identified in 20.48.185 (Multi-Unit Objective Design Standards) of the NBMC and listed below.

1. 20.48.185(S)(1)(a) (First Floor Opening and Transparency Standards);
2. 20.48.185(N)(2)(b) (Private Driveway Standards – Landscape and Paving Zone (LPZ)); and
3. 20.48.185 (R)(1)(c) (Horizontal Modulation – Minimum Depth); of the NBMC.

Affordable units will be priced and income-qualified in accordance with Health & Safety Code §50052.5, HCD Very Low-Income limits, and the Orange County Housing Authority (OCHA) utility allowances, ensuring long-term affordability consistent with State and local requirements. As conditioned, prior to issuance of building permits, the Developer must execute an Affordable Housing Agreement identifying the location, distribution, and sale procedures for the affordable units, ensuring compliance with State Density Bonus Law and NBMC provisions. The Project's affordable for-sale units will be subject to an Equity Sharing Agreement under NBMC Section 20.32.140 (Occupancy and Resale of Ownership Units), ensuring the City recaptures its proportionate share of appreciation upon resale for reinvestment in affordable homeownership opportunities.

Vesting Tentative Tract Map

Section 19.12.070 (Required Findings for Action on Tentative Maps) of the NBMC, requires the Planning Commission to make the following findings before approving the Vesting Tentative Tract Map (VTTM):

- A. That the proposed map and the design or improvements of the subdivision are consistent with the General Plan and any applicable specific plan, and with applicable provisions of the Subdivision Map Act and this Subdivision Code;*
- B. That the site is physically suitable for the type and density of development;*

- C. That the design of the subdivision or the proposed improvements are not likely to cause substantial environmental damage nor substantially and avoidably injure fish or wildlife or their habitat. However, notwithstanding the foregoing, the decision making body may nevertheless approve such a subdivision if an environmental impact report was prepared for the project and a finding was made pursuant to Section 21081 of the California Environmental Quality Act that specific economic, social or other considerations make infeasible the mitigation measures or project alternatives identified in the environmental impact report;*
- D. That the design of the subdivision or the type of improvements is not likely to cause serious public health problems;*
- E. That the design of the subdivision or the type of improvements will not conflict with easements, acquired by the public at large, for access through or use of property within the proposed subdivision. In this connection, the decision-making body may approve a map if it finds that alternate easements, for access or for use, will be provided and that these easements will be substantially equivalent to ones previously acquired by the public. This finding shall apply only to easements of record or to easements established by judgment of a court of competent jurisdiction and no authority is hereby granted to the City Council to determine that the public at large has acquired easements for access through or use of property within a subdivision;*
- F. That, subject to the detailed provisions of Section 66474.4 of the Subdivision Map Act, if the land is subject to a contract entered pursuant to the California Land Conservation Act of 1965 (Williamson Act), the resulting parcels following a subdivision of the land would not be too small to sustain their agricultural use or the subdivision will result in residential development incidental to the commercial agricultural use of the land;*
- G. That, in the case of a “land project” as defined in California Business and Professions Code Section [11000.5](#), (1) there is an adopted specific plan for the area to be included within the land project; and (2) the decision making body finds that the proposed land project is consistent with the specific plan for the area;*
- H. That solar access and passive heating and cooling design requirements have been satisfied in accordance with Sections 66473.1 and 66475.3 of the Subdivision Map Act;*
- I. That the subdivision is consistent with California Government Code Sections [66412.3](#) and [65584](#) regarding the City’s share of the regional housing need and that it balances the housing needs of the region against the public service needs of the City’s residents and available fiscal and environmental resources;*

- J. That the discharge of waste from the proposed subdivision into the existing sewer system will not result in a violation of existing requirements prescribed by the Regional Water Quality Control Board; and*
- K. For subdivisions lying partly or wholly within the Coastal Zone, that the subdivision conforms with the certified Local Coastal Program and, where applicable, with public access and recreation policies of Chapter Three of the Coastal Act.*

Staff believe facts to support the findings exist to approve the VTTM. These facts are discussed in detail in the attached draft resolution (Attachment No. PC 1). The key facts in support of findings are summarized in the following paragraphs.

Because the Project includes for-sale residential units, the Project applicant is required to pay in-lieu park dedication fees pursuant to Chapter 19.52 (Park Dedications and Fees) of the NBMC, for park and recreational purposes. The Project is also subject to General Plan Policy LU 6.15.13 (Neighborhood Parks – Standards) that requires new residential development in the Airport Area to dedicate and improve a minimum ½ acre as a neighborhood park. However, as part of the AHIP, the applicant has requested an incentive to reduce the in-lieu park dedication fee.

Additionally, the Project provides the required PAOS on the site. The PAOS is located along the MacArthur Boulevard frontage, which includes a pedestrian strada improved with landscaping and seating areas.

The Project Site is suitable for the type and density of the development in that the infrastructure serving the site has been designed to accommodate the Project. Sewer and Water Demand Studies were prepared by Fuscoe Engineering, both dated August 2025 and revised December 2025. The Water Demand Study concluded that the proposed onsite water system is adequately designed to provide domestic water service and fire flows for the proposed onsite fire hydrants and building's domestic demand.

The Project does not result in more than 500 dwelling units; therefore, a Water Supply Assessment (WSA) is not required for the Project. The Sewer Demand Study concluded that the existing sewer systems will not be adversely impacted by the wastewater flows associated with the proposed project, and no sewer upgrades are required as part of the Project. The Public Works Department has reviewed and accepted these studies.

The Project storm drain system is conditioned to be privately owned and maintained. The applicant is required to upsize the existing public storm drain line along Dove Street to a 48-inch storm drain line. The extent of the improvement will be determined by the Public Works Department. The Project is also conditioned so that any additional required improvements to downstream City infrastructure to accommodate the Project

will be designed and constructed as part of the Project. Final design will be reviewed and approved by the Public Works Department.

The Project Site does not contain riparian habitat or other sensitive natural communities, or wetlands. Furthermore, the Project is not expected to result in any public health or safety concern to residents in this area or throughout the City. All improvements associated with the Project will comply with all Building, Public Works, and Fire Codes, which are in place to prevent serious public health problems. Public improvements will be required of the developer per Section 19.28.010 (General Improvement Requirements) of the NBMC.

Development Agreement

In accordance with Section 15.45.020(A)(2)(a) (Development Agreement Required) of the NBMC, a development agreement (DA) is required as the Project requires a Zoning Code Amendment that includes the development of more than 50 residential units. In this case the Project includes a total of 132 residential units.

The applicant requests a 10-year term of agreement, and the DA would establish rights to develop the Project over the term. However, the public benefit fees are structured to incentivize development in a shorter term. The DA includes the following key terms:

Table 3 – Development Agreement Key Terms

Term	The initial term is 10 years.	
Affordability	Affordable housing for 5% of total units (i.e., 7 units), allocated to very-low-income households.	
Developer Fees	Park Fee (Reduced)*	\$1,011,252 total (\$7,661 per unit) Due at permit issuance
	Development Impact Fees (Police, Fire, Sewer, Water, Recreation)	\$2,607,483.98 total (Estimated) Does not apply to affordable units
	General Public Benefit Fee	\$3,000,000 total (\$24,000 per market rate unit) Subject to CPI** Does not apply to affordable units
*NBMC and adopted Park Fee Schedule requires \$48,987 per unit (\$6,466,284 total) unless the City Council grants a financial incentive (to reduce the fee) pursuant to State Density Bonus Law and Chapter 20.32 of the NBMC. **CPI adjustment incentivizes development prior to the 10-year term limit.		

Finally, the DA includes all mandatory elements, including public benefits that are appropriate to support conveying the vested development rights consistent with the City's General Plan, NBMC, and Government Code Sections 65864 *et seq.*

Environmental Review

Pursuant to the California Environmental Quality Act (CEQA) as set forth in California Public Resources Code Section 21000 *et seq.* and its implementing guidelines set forth in California Code of Regulations, Title 14, Division 6, Chapter 3 (CEQA Guidelines), the City Council adopted Resolution No. 2024-50 on July 23, 2024, certifying Final Program Environmental Impact Report SCH No. 2023060699 (PEIR), approving a Mitigation Monitoring and Reporting Program (MMRP), and adopting Findings and a Statement of Overriding Considerations related to the implementation of the Housing Element involving amendments to the General Plan, Coastal Land Use Plan, and Title 20 (Planning and Zoning) and Title 21 (Local Coastal Program Implementation Plan) of the NBMC which are available at: [Housing Implementation Program EIR](#).

Pursuant to Section 21166 of the California Public Resources Code and Section 15162 of the CEQA Guidelines, when an EIR has been certified for a project, no subsequent EIR is required unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:

- a. Substantial changes are proposed in the Project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- b. Substantial changes occur with respect to the circumstances under which the Project is undertaken which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
or
- c. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete, shows any of the following:
 - i. The project will have one or more significant effects not discussed in the previous EIR;
 - ii. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - iii. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more

significant effects of the Project, but the Project proponents decline to adopt the mitigation measure or alternative; or

- iv. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the Project proponents decline to adopt the mitigation measure or alternative.

An Addendum to the PEIR was prepared by EPD Solutions, Inc. dated May 2026 and peer reviewed by the City's consultant Kimley-Horn, pursuant to Section 15162 (Subsequent EIRs and Negative Declarations) and 15164 (Addendum to an EIR or Negative Declaration) of the CEQA Guidelines.

The following environmental topics were analyzed for the Project: Aesthetics, Agriculture and Forestry Resources, Air Quality, Biological Resources, Cultural Resources, Energy, Geology and Soils, Greenhouse Gas Emissions, Hazards and Hazardous Materials, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Noise, Population and Housing, Public Services, Recreation, Transportation, Tribal Cultural Resources, Utilities and Service Systems, and Wildfire.

On the basis of the PEIR and entire environmental review record, the Project will not result in any new significant impacts that were not previously analyzed in the PEIR. The Addendum confirms and provides substantial evidence that the potential impacts associated with this Project would either be the same or less than those described in the PEIR, as reduced by applicable General Plan Policies and mitigation measures in the PEIR. In addition, there are no substantial changes to the circumstances under which the Project would be undertaken that would result in new or more severe environmental impacts than previously addressed in the PEIR, nor has any new information regarding the potential for new or more severe significant environmental impacts been identified. Therefore, in accordance with Section 15164 of the CEQA Guidelines, an addendum to the previously adopted PEIR is the appropriate environmental document for the Project. In taking action to approve any of the requested applications for the Project, the data presented in the PEIR, as augmented by the Addendum for this Project, are considered as part of the record.

Summary and Alternatives

Staff believes the Zoning Code Amendment is appropriate and the findings for approval can be made, as demonstrated in Attachment No. PC 1 to this report. The proposal is consistent with the intent of the HO-1 Subarea and several policies within the General Plan Housing, Land Use, and Circulation Elements. The Project would provide a net increase of 132 for-sale attached single-unit dwellings, including 7 units allocated to very-low-income households, diversifying and expanding the City's housing supply in an employment-rich area. Although the Project includes a Zoning Code Amendment to be included in the HO-1 Subarea, it would not alter the total number of housing units

allocated to the HO-1 Subarea, and substantial public benefits would be provided through the DA.

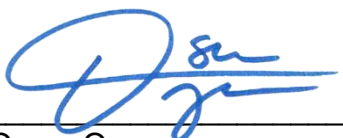
The following alternatives are available to the Planning Commission:

1. The Planning Commission may recommend approval to the City Council with suggested specific changes that are necessary to alleviate any identified concerns. If the requested changes are substantial, staff will return with a revised resolution incorporating new findings and/or conditions.
2. If the Planning Commission believes the change in land use is inappropriate, or if there are insufficient facts to support the project, the Planning Commission may recommend denial to the City Council of the application.

Public Notice

Notice of this hearing was published in the Daily Pilot, mailed to all owners of property within 300 feet of the boundaries of the site (excluding intervening rights-of-way and waterways) including the Applicant, and posted on the subject property at least 20 days before the scheduled meeting, consistent with the provisions of the NBMC, Assembly Bill No. 2904 (AB 2904), and California Government Code Section 65854. AB2904 and California Government Code Section 65854 state that an amendment to a zoning ordinance that affects the permitted uses of real property shall require notice at least 20 days prior to the public hearing with the Planning Commission. In accordance with said requirement, notice of this public hearing was given on May 14, 2026, at least 20 days prior to June 4, 2026. This is also consistent with the NBMC which requires notice at least 10 days prior to the public hearing.

Prepared by:



Oscar Orozco
Associate Planner

Submitted by:



Benjamin M. Zdeba, AICP
Deputy City Manager

LAW/oo

ATTACHMENTS

- PC 1 Draft Resolution
- PC 2 General Plan Consistency Analysis
- PC 3 FAA Letter - Finding of No Hazard
- PC 4 Applicant Project Description Letter
- PC 5 Project Plans